

Commissioners Meeting Minutes
November 5, 2007

The Randolph County Board of Commissioners met in regular session at 4:00 p.m. in the Commissioners Meeting Room, County Office Building, 725 McDowell Road, Asheboro, NC. Commissioners Holmes, Frye, Kemp and Lanier were present. Commissioner Haywood was absent. Dr. Robert Shackelford, RCC President, gave the invocation and everyone recited the Pledge of Allegiance.

Public Comment Period

Pursuant to N.C.G.S. § 153A-52.1, Chairman Holmes opened the floor for public comment. No one spoke, and Chairman Holmes closed the public comment period.

Approval of Consent Agenda

On motion of Frye, seconded by Kemp, the Board voted unanimously to approve the Consent Agenda, as follows:

- *approve regular meeting minutes of 10/01/07;*
- *appoint Todd Henderson to replace Sherry Trotter on Juvenile Crime Prevention Council;*
- *appoint Amy Beane, Perry Horne, Dr. Miki Rose and reappoint Larry Pugh, Dr. Robert Dough, Pat Way, Dr. Eric Helsabeck, Paula Lineberry, Ken Fields, Sandy Smith, Neil Allen, Lewis Schirloff, Fred deFriess, Benny Lopienski, Steven Staley, Brent Powell, Cheryl Ivey, Cynthia Grantham, Cathy Jones and Dr. Peter Sim to the EMS System Quality Management Committee;*
- *appoint Eddie Causey and reappoint Linda Cook and George Gusler to Tourism Development Authority;*
- *approve Budget Amendment #13 for Health Department, as follows:*

2007-2008 BUDGET ORDINANCE—GENERAL FUND—AMENDMENT #13		
Revenues	Increase	Decrease
<i>Restricted Intergovernmental Revenues</i>	<i>\$10,000</i>	
Appropriations	Increase	Decrease
<i>Public Health</i>	<i>\$10,000</i>	

- *approve Budget Amendment #14 for Social Services, as follows:*

2007-2008 BUDGET ORDINANCE—GENERAL FUND—AMENDMENT #14		
Revenues	Increase	Decrease
<i>Restricted Intergovernmental Revenues</i>	<i>\$30,014</i>	
Appropriations	Increase	Decrease
<i>Social Services</i>	<i>\$30,014</i>	

- *approve Budget Amendment #15 for Day Reporting Center, as follows:*

2007-2008 BUDGET ORDINANCE—GENERAL FUND—AMENDMENT #15		
Revenues	Increase	Decrease
<i>Restricted Intergovernmental</i>	<i>\$4,248</i>	
<i>Miscellaneous</i>	<i>\$24,579</i>	
Appropriations	Increase	Decrease
<i>Day Reporting Center</i>	<i>\$28,827</i>	

- *approve Budget Amendment #16 for Sheriff's Department, as follows:*

2007-2008 BUDGET ORDINANCE—GENERAL FUND—AMENDMENT #16		
Revenues	Increase	Decrease
<i>Restricted Intergovernmental</i>	\$7,165	
Appropriations	Increase	Decrease
<i>Sheriff</i>	\$7,165	

- approve Budget Amendment #17 for the Pottery Center Appropriation, as follows:

2007-2008 BUDGET ORDINANCE—GENERAL FUND—AMENDMENT #17		
Revenues	Increase	Decrease
<i>Investment Income</i>	\$25,000	
Appropriations	Increase	Decrease
<i>Other Cultural and Recreational Appropriations</i>	\$25,000	

- approve Budget Amendment #18 for 401-k Contribution, as follows:

2007-2008 BUDGET ORDINANCE—EMERGENCY TELEPHONE SYSTEM FUND—AMENDMENT #18		
Revenues	Increase	Decrease
<i>Appropriated Fund Balance</i>	\$1,395	
Appropriations	Increase	Decrease
	\$25,000	

2007-2008 BUDGET ORDINANCE—GENERAL FUND—AMENDMENT #18		
Revenues	Increase	Decrease
Appropriations	Increase	Decrease
<i>Administration</i>	\$9,791	
<i>Information Technology</i>	6,089	
<i>Tax</i>	12,326	
<i>Elections</i>	995	
<i>Register of Deeds</i>	3,249	
<i>Public Buildings</i>	3,763	
<i>Sheriff</i>	19,731	
<i>Emergency Services</i>	28,424	
<i>Building Inspections</i>	5,792	
<i>Day Reporting Center</i>	3,130	
<i>Planning & Zoning</i>	3,868	
<i>Cooperative Extension</i>	519	
<i>Soil & Water</i>	814	
<i>Public Works</i>	2,477	
<i>Public Health</i>	30,785	
<i>Social Services</i>	55,302	
<i>Veteran Services</i>	366	
<i>Public Library</i>	9,604	
<i>Debt Service</i>		160,000
<i>Other Economic & Physical Appropriations</i>		37,025

Report of Needs Assessment Results

Carolyn Langley, Director of Cooperative Extension, said that the North Carolina Cooperative Extension, Randolph County Center, recently completed an environmental scan to determine the needs of Randolph County and to give direction to the Extension program over the next several years. Information was gathered through a survey mailed to over 250 people: focus groups, including County Government Department heads; participants in the Archdale/Trinity leadership program; volunteer groups and other community organizations. In addition, all members of the current advisory groups, including the Extension Advisory Council were given the opportunity to participate in the scan through meetings and interviews.

Ms. Langley stated that the top needs and priorities identified through the environmental scan for Randolph County were as follows:

- 1st: Farmland and Green Space Preservation
- 2nd: Agricultural Profitability
- 3rd: Health, Nutrition and Wellness
- 4th: Families at Risk and Youth Programming
- 5th: Life Stages (Parenting, Human Development, Estate Planning, etc.)

She stated that other concerns included environmental issues such as water quality and waste management, and economic issues such as maintenance of job opportunities in the county and work force development.

Request to Use Law Enforcement Restricted Funds and Related Budget Amendment

Col. Allen McNeill, Sheriff's Department, requested to spend \$236,185 of Law Enforcement Restricted Funds for various law enforcement-related items, including three vehicles, Tasers, and other assorted equipment.

On motion of Lanier, seconded by Frye, the Board voted unanimously to approve the expenditure of \$236,185 for various law enforcement-related items, as requested by Col. McNeill, and Budget Amendment #19, as follows:

2007-2008 BUDGET ORDINANCE—GENERAL FUND—AMENDMENT #19		
Revenues	Increase	Decrease
<i>Appropriated Fund Balance</i>	\$236,185	
Appropriations	Increase	Decrease
<i>Sheriff</i>	\$236,185	

Award Contracts for Scattered Site Housing Grant

Patty Willard, Assistant to the Director of Public Works, stated that in 2006 Randolph County received a grant in the amount of \$400,000 for a Scattered Site Housing Community Development Block Grant project. In this grant, the County stated it would rehabilitate at least seven homes. Ms. Willard said that they have now completed four homes and are ready to start rehabilitation on the next two. The Scattered Site Housing Committee has selected the following two homes to rehabilitate at this time. They are the homes of Evangline Leach in the Asheboro area and Carlee Staley in the Seagrove area. Ms. Willard stated that three bids were received for each of the homes, as follows:

	Evangline Leach Home	Carlee Staley Home
Glenn Avery Construction	\$26,567	\$46,980
Glenn King Construction	\$25,945*	\$39,955*
Conner Home Improvements	\$38,126	\$49,424

Ms. Willard requested the Board award two different contracts. For the home of Evangline Leach, she requested the Board award the contract to Glenn King Construction in the amount of \$25,945. For the home of Carlee Staley, she requested the Board award the contract to Glenn King Construction in the amount of \$39,955.

On motion of Kemp, seconded by Frye, the Board voted unanimously to award 2 separate contracts to Glenn King Construction in the amount of \$25,945 for Evangeline Leach's home and \$39,955 for Carlee Staley's home.

Fire Tax Districts, Fire Insurance District Matters and Set Public Hearing Date

Aimee Scotton, Staff Attorney, requested consideration of proposed changes in six of the Rural Fire Tax Districts located in Randolph County. In North Carolina, the Department of Insurance (DOI) rates fire departments based on their equipment and levels of service. In addition, DOI approves designated fire insurance districts based upon distance from a fire department or sub-station. Homes that lie within a fire insurance district get a better rate on homeowners' insurance than those that are outside of an insurance district.

For many years, fire protection in Randolph County was provided by small volunteer fire departments that supported themselves solely through donations and local fundraising efforts. As population density increased, however, this method of support became increasingly inadequate. Randolph County responded by creating fire tax districts. Essentially, the County created a tax district for each volunteer fire department. Residents in a fire tax district pay the fire tax assessed on their properties; the County collects these taxes and then contracts with the local fire department for the provision of services. When these fire tax districts were created by the County, the Board of County Commissioners made a decision to draw the tax district lines in the same way that DOI had defined the insurance districts (DOI had approved these districts to include parcels that lie within 5 road miles of a fire department). The result was that the two districts (tax and insurance) were identical and only those residents receiving the discounted homeowners' insurance were responsible for paying the fire tax.

Over the years, technological advances have led to quicker response times and better quality fire service. In recognition of this, DOI has approved increasing the insurance districts to 6 road miles. Under the old system, a person's property was in both the same fire tax district and insurance district. While common sense would indicate that property that was initially included in the 5-mile insurance district would necessarily be included within 6 miles of the fire department under the new insurance district map, such is not the case.

There are a number of reasons why a person's property might have initially been included in a 5-mile insurance district and would now not be included in an expanded 6-mile insurance district. One reason is the development of new roads; new roads mean more road miles. Another reason is property development. For example, a large tract fronts on one road, and the entire parcel is included in the initial 5-mile district because of this road frontage. When that property is portioned off for development, an individual lot or lots may front on a different road and might, therefore, lie outside of a 6-mile district. Another explanation could simply be that we now possess better methods of measuring these distances to draw more accurate maps. In any event, a parcel of property that was included in the 5-mile insurance district for a given fire department is not necessarily included in the 6-mile insurance district for that same department.

Some properties that have been excluded from the insurance district for their fire department can now be included in the insurance district for a different fire department. The problem with this is that redrawing the insurance districts does not redraw the tax districts. Because the insurance districts have been redrawn county-wide, there are a number of places where changes in tax districts need to be made in order to ensure that each parcel is being taxed in accordance with the department that is providing them service. The proposed tax district property transfers are as follows:

1. Guil Rand to Tabernacle (2 parcels)
2. Franklinville to Coleridge (4 parcels)
3. Randleman to Sophia (2 parcels)
4. Seagrove to Eastside (3 parcels)
5. Climax to Randleman (8 parcels)

The procedure for moving property from one fire tax district to another is fairly complicated and is set out in North Carolina General Statute 69-25.11. This statute basically requires that we secure petitions from two-thirds of the affected property owners and favorable recommendations from both of the affected fire departments. Once these approvals have been secured, we need to hold a public hearing on the matter. At the close of the public hearing, the county commissioners can vote to approve the transfer. If approved, the transfer actually takes effect on July 1 of the following fiscal year (in this case, July 1, 2008).

Ms. Scotton stated that the signed petitions have been secured from at least two-thirds of the owners of the affected parcels for the transfers listed above, and the Boards of Directors of the Fire Departments of each district have approved the transfers. She asked the Board to set public hearings on each transfer listed below pursuant to N.C. General Statute § 69-25.11.

1. Guil Rand to Tabernacle
2. Franklinville to Coleridge
3. Randleman to Sophia
4. Seagrove to Eastside
5. Climax to Randleman

Ms. Scotton then said that there is also one area in which a different sort of change is requested. There are four (4) parcels of property currently located in the Franklinville fire tax district that no longer fall within its insurance district. They do, however, fall within the insurance district for Eastside. She said that at this time, Eastside does not tax properties that lie within the same area as these properties, so these properties do not need to be transferred from the Franklinville fire tax district to the Eastside fire tax district. Instead, Ms. Scotton asked that these 4 parcels simply be removed from Franklinville's fire tax district. If approved, then the parcels will no longer be in any fire tax district, but they will be included in Eastside's insurance district.

The procedure for removing parcels from a fire tax district is a little different than the procedure described above for transfer from one district to another. In this instance, all of the owners of the affected properties have to petition for the property to be removed, and the Board of Directors of the affected fire department (in this case, Franklinville) must approve of the removal. All of the required approvals have been secured. There is no requirement for a public hearing. The only requirement is that the Board of County Commissioners approve the removal of the 4 affected parcels (3 of which are owned by Randolph County) from the Franklinville fire tax district.

On motion of Frye, seconded by Lanier, the Board voted unanimously to set 5:00 p.m. on December 3, 2007 for 5 public hearings regarding the transfer of parcels from one fire tax district to another.

On motion of Frye, seconded by Lanier, the Board voted unanimously to remove 4 parcels (as requested) from the Franklinville fire tax district.

Ratify Individual Poll on Randleman Lake Water Treatment Plant and Highway 311 Water Transmission Line Agreements

County Manager Richard Wells explained that since our Board's July 2007 adoption of the Randleman Lake Water Treatment Plant Interlocal Agreement and our October 2007 adoption of the Hwy 311 Water Transmission Line Interlocal Agreement there have been a few minor changes in the wording by the City of High Point. In order to expedite these agreements, individual phone polls were done prior to this November regular meeting approving the changes. Now, in order to have final agreements documented in the permanent minutes of the Randolph County Board of Commissioners, another vote is needed.

On motion of Frye, seconded by Kemp, the Board voted unanimously to approve the Randleman Lake Water Treatment Plant Interlocal Agreement and the Highway 311 Water Transmission Line Interlocal Agreement, as follows:

JOINT GOVERNMENTAL AGREEMENT

This Agreement is entered into this ____ day of _____, 2007 and is among **PIEDMONT TRIAD REGIONAL WATER AUTHORITY** (the "Authority"), an authority created under N.C.G.S. § 162A-3.1, and the following: **CITY OF ARCHDALE, CITY OF GREENSBORO, CITY OF HIGH POINT, TOWN OF JAMESTOWN, CITY OF RANDLEMAN, and COUNTY OF RANDOLPH** (collectively, the "Members").

Background Statement

The parties hereto entered into a Joint Governmental Agreement dated September 18, 1987 (the "1987 Agreement"), pursuant to which the Members agreed, among other things, to provide funds to the Authority to acquire land and construct Randleman Dam, a reservoir and related facilities. The 1987 Agreement also provided that financing of the first phase (12 MGD capacity) of a water treatment plant (the "Water Treatment Plant") and related facilities would be financed with revenue bonds (together with future Authority revenue bonds, the "Revenue Bonds") of the Authority and contemplated that debt service on the Revenue Bonds, as well as the Authority's operating costs, would be funded through payments from the Members to the Authority. To that end, the parties want to supplement and amend the 1987 Agreement by entering into this Agreement.

The Agreement

The parties agree as follows:

1. **Members' Rights Concerning Treated Water.** Upon completion of the first phase of the Water Treatment Plant, each Member shall have the right to receive monthly from the Authority, and the Authority shall make available monthly to each Member at the connection between its pipelines and those of the Members, the percentage of the Authority's total monthly production of treated water corresponding to the percentage indicated for that Member on Exhibit A. Members shall have the right to produce their own treated water and to buy treated water from parties other than the Authority, including other Members. Members shall also have the right to sell to other parties (including other Members) (i) treated water (regardless of its source) and (ii) rights to receive treated water from the Authority, but in neither event shall the obligations hereunder be altered, except to the extent the selling Member's obligations hereunder have been actually discharged by the buyer. Upon request of any Member, the Authority shall increase production of treated water by expansion of the Water Treatment Plant if (i) the Authority determines that such expansion is technically and economically feasible applying prudent utility practice standards and (ii) the Members wanting to receive a portion of the increased production agree to their respective percentages thereof and Exhibits A and B are revised in accordance therewith. Such revised Exhibit A shall take effect under Section 2(a) on and after the date treated water is first delivered pursuant to such expansion and shall also apply prior to that date with respect to any non-Revenue Bond-financed expenditures incurred by the Authority as a result of such expansion. Such revised Exhibit B shall take effect under Section 2(b) when non-financed debt service commences on the Revenue Bonds that financed the Water Treatment Plant expansion.

2. **Payments by Members to the Authority.** As payment for treated water delivered or made available by the Authority or expected to be delivered or made available by the Authority, the Members shall pay the Authority as follows (regardless of whether treated water is actually available or taken):

(a) Commencing on the 15th day of the month following the month in which the Authority first makes treated water available to Members and on the 15th day of each month thereafter, each Member shall pay to the Authority its share, as indicated below, of the Authority's total expenditures for the previous month, other than (i) amounts covered by subsection 2(b) and (ii) expenditures from proceeds of the Revenue Bonds and investment earnings thereon (the "Operating Cost Obligations"). The Members' respective shares of the Authority's fixed expenditures relating to the Water Treatment Plant shall be the percentages on Exhibit A; the Members' respective shares of the Authority's other fixed expenditures shall be the percentages on Exhibit C; and the Members' shares of the Authority's variable expenditures shall be based on each Member's share of the Authority's total treated water delivered to all Members during that month. Subject to the provisions of Section 6, upon notice from the Authority that a Member has not made an Operating Cost Obligation payment in full, each other Member shall promptly pay to the Authority as additional Operating Cost Obligations its pro rata share (based on its percentage of the total amount due from Members (other than the defaulting Member) under the first sentence of this subsection (a)) of the defaulted amount, except that no Member

shall be obligated to pay more than 150% of the amount due from it under the first sentence of this subsection (a). Such payments shall not affect the obligations of the defaulting Member; and if defaulted amounts are subsequently received or collected from the defaulting Member, such amounts (including interest thereon) shall be paid to the Members making up the defaulted amounts based on their respective percentages thereof. Until the Operating Cost Obligations commence, the Members shall pay the Authority's operating costs based on the percentages in Exhibit C. It is anticipated that Exhibit A will be revised in connection with each issuance of Revenue Bonds after the initial issuance of Revenue Bonds.

(b) (i) Except as provided in the following paragraph, each Member shall pay, by 10:00 a.m. two business days before due from the Authority, its percentage as indicated on Exhibit B of any amounts due from the Authority to the trustee for the holders of the Revenue Bonds, including, without limitation, amounts due for debt service and debt service reserve fund maintenance with respect to the Revenue Bonds; and (ii) if any Member fails to pay in full the amount owed by it under clause (i), each Member shall pay, subject to the provisions of Section 6, by 10:00 a.m. on the day due from the Authority, each Member's pro rata share (based on the percentages in Exhibit B, excluding the percentage for the defaulting Member) of the defaulted amount, except that no Member shall be obligated to pay more than 150% of the amount due from it under clause (i) (collectively, the "Debt Service Obligations").

Any Member shall be excused in whole or in part from the Debt Service Obligations described in clause (i) above with respect to any series of Revenue Bonds to the extent that it provides to the Authority an amount equal to its share (based on the percentages in Exhibit B) of the costs (other than expected issuance costs and debt service reserve fund and capitalized interest funding) otherwise to be financed by that series of Revenue Bonds, and does so at least two months before the scheduled issuance of those Revenue Bonds. In that case, the other Members' Exhibit B percentages shall be adjusted accordingly. It is anticipated that Exhibit B will be revised with each issuance of Revenue Bonds after the initial issuance of Revenue Bonds.

(c) Exhibits A, B and C represent (and any future amendments thereto will represent) a good faith effort by the parties to allocate the Operating Cost Obligations and Debt Service Obligations (collectively, the "Payment Obligations") fairly among the Members based on their present and expected future requirements for treated water from the Authority and their long-term benefits from the improvements financed with the Revenue Bonds. The Authority shall determine all amounts referred to above in this Section 2 and shall give timely notice thereof to the Members.

(d) Each Member shall budget for and appropriate amounts sufficient to satisfy its Payment Obligations (subject to the limitations imposed by Section 3). Except as provided in Section 3, the Payment Obligations shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms hereof and without abatement or reduction under all circumstances whatsoever, including whether or not any facility of the Authority is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of any such facility or the treated water contracted for, and that such obligations shall not be subject to any reduction, whether by offset or otherwise, and shall not be conditioned upon the performance or nonperformance of the Authority or any Member under this Agreement or any other instrument. Amounts not paid when due shall bear interest until paid at any interest rate to be determined from time to time by the Authority. The second sentence of Section 3 of the 1987 Agreement is deleted therefrom.

3. **Limited Nature of Payment Obligations.** Each Member shall to the extent feasible satisfy its Payment Obligations from its revenues (the "Water and Sewer Revenues") from the operation of its water system and its sanitary sewer system ("Water and Sewer System"), if any, but may satisfy its Payment Obligations from any moneys except moneys derived from any exercise by the Member of its taxing powers. The Payment Obligations are unsecured and do not constitute or result in any direct or indirect pledge of the taxing power of the Members.

4. **Generation and Protection of Member Water and Sewer Revenues.** Each Member has not pledged or encumbered and will not pledge or encumber its Water and Sewer Revenues or if it has or does, any such pledge or encumbrance will apply only to Water and Sewer Revenues remaining after payment of its Water and Sewer System current expenses, expressly including its Payment Obligations. Each Member (other than the County of Randolph, so long as it does not have a Water and Sewer System) shall operate its Water and Sewer System as one or more enterprise funds and charge rates and fees such that sufficient Water and Sewer Revenues are generated to pay all costs of operating and financing its Water and Sewer System and satisfying its Payment Obligations. So long as it does not have a Water and Sewer System, the County of Randolph shall maintain unencumbered revenues derived from sources other than exercise of its taxing powers sufficient to satisfy its Payment Obligations.

5. **Other Covenants.** *The parties will not take any action, fail to take any action or permit any action to be taken that would jeopardize the exemption of interest on the Revenue Bonds from gross income for federal income tax purposes (unless such Revenue Bonds were not intended to be federally tax-exempt when issued). The Authority shall:*

- (a) comply with the provisions of the documents pursuant to which the Revenue Bonds are issued;*
- (b) make all its records, documents and facilities available to the Members for inspection; and*
- (c) use its best reasonable efforts to deliver treated water to the Members at the times and in the amounts requested by the Members, subject to the limits described in Section 1.*
- (d) provide each Member with sufficient opportunity to review and comment on any Water Treatment Plant expansion or related capital improvement project undertaken by the Authority beyond the initial 12 MGD Water Treatment Plant and related distribution facilities anticipated by this Agreement, and that the cost of any of such capital project will be allocated among the Members in an equitable manner based on the respective benefits received by each Member in the manner provided in Section 2(c) hereof; and*
- (e) provide each Member with sufficient opportunity to review and comment on the Authority's annual operating and capital improvements budgets prior to adoption by the Authority.*

6. **Remedies; Assuming Rights of Defaulting Members; Third Party Beneficiaries.** *The parties acknowledge that they may have no adequate means to protect their rights under this Agreement other than by securing an injunction (i.e., a court order prohibiting a Member from violating this Agreement). The parties may enforce this Agreement by obtaining a preliminary and permanent injunction and any other appropriate equitable relief in any court of competent jurisdiction. The parties acknowledge that termination of rights of a defaulting Member hereunder and the recovery of damages will not be an adequate means to redress a breach of this Agreement, but nothing in this Section shall prohibit the parties from pursuing any remedies in addition to injunctive relief, including termination of rights hereunder and recovery of damages. Upon commencement of the Operating Cost Obligations, Section 7 of the 1987 Agreement shall be deleted therefrom. If a Member's rights hereunder are terminated due to default, other Members may assume all or any portion of the defaulting Member's rights to receive treated water by assuming its Payment Obligations hereunder with respect thereto; but the defaulting Member's obligations hereunder shall not be altered thereby, except to the extent that the defaulting Member's obligations have been actually discharged by other Members. If demand from Members exceeds the amount made available by the default, requesting Members' rights shall be pro rata based on their relative percentages on Exhibit A. The holders of the Revenue Bonds, credit enhancers with respect to the Revenue Bonds, and the trustee for such holders shall be third party beneficiaries of this Agreement.*

7. **Amendments.** *This Agreement may be amended or terminated only by a writing signed by all parties, and may not be amended (except as contemplated herein) in any way that would have a material adverse effect on the interests of the holders of the Revenue Bonds. The parties anticipate amending Exhibits A and B from time to time as described herein.*

8. **Relation to 1987 Agreement.** *To the extent the provisions of this Agreement are inconsistent with the provisions of the 1987 Agreement, the provisions of this Agreement shall apply, and the 1987 Agreement shall be deemed amended to that extent. Except to that extent, the 1987 Agreement remains in effect and is reaffirmed.*

9. **Term. Rights of Members Upon Termination.**

(a) This Agreement shall terminate and all rights and obligations hereunder shall cease 50 years after the date hereof.

(b) It is hereby acknowledged by the parties that the assets of the Authority, including, without limitation, the Randleman Dam, Water Treatment Plant and related distribution facilities, and the land associated therewith, have been funded by contributions and payments made by the Members pursuant to this Agreement and the 1987 Agreement. As such, the Members of the Authority are entitled to, and are deemed to own, an equitable interest in such assets and revenues of the Authority pro rata based on each Member's overall percentage allocation of the cost of such assets. Upon expiration or termination of this Agreement, the Authority shall not sell, lease, encumber, or otherwise transfer any rights or interests in or to any of the Authority's assets, including, without limitation, the Randleman Dam, the Water Treatment

Plant and related distribution facilities, or any rights in or to the output or capacity of the same, without the prior written consent of at least two-thirds of the Members. The provisions of this Section shall survive the expiration and termination of this Agreement. Nothing in this Section shall be construed as limiting the right of the Authority to convey or encumber its assets prior to the termination of this Agreement.

10. **Miscellaneous.** This Agreement (together with the 1987 Agreement) constitutes the entire agreement among the parties as to the matters addressed herein and therein and binds each of their successors and assigns. Neither this Agreement, nor any rights hereunder, may be assigned to any party hereto without the prior written consent of each of the other parties hereto; provided, however, that the Authority may assign its rights under this Agreement to any trustee for the Revenue Bonds as security therefor without consent of the Members. No waiver of any breach of this Agreement shall be construed as a waiver of any subsequent breach. This Agreement shall be construed and interpreted according to the laws of the State of North Carolina. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof or of the 1987 Agreement, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and attested by their properly authorized officials and their seals affixed, all on the ____ day of _____, 2007.

EXHIBIT A

Percentages and amounts of treated water each unit is committed to while the Water Treatment Plant is at 12 MGD capacity

Greensboro	53.08%	6.37 mgd
High Point	19.00%	2.28 mgd
Randleman	8.33%	1.00 mgd
Randolph County	10.42%	1.25 mgd
Jamestown	3.33%	0.40 mgd
Archdale	<u>5.83%</u>	<u>0.70 mgd</u>
	100.00%	12.00 mgd

EXHIBIT B

Revenue Bond Debt Service Percentages

Greensboro	52.82%
High Point	16.88%
Randolph County	19.04%
Randleman	2.18%
Jamestown	2.23%
Archdale	<u>6.85%</u>
	100.00%

EXHIBIT C

Ultimate Percentages of Ownership

Greensboro	53.1%
High Point	19.0%
Randolph County	18.7%
Archdale	4.6%
Jamestown	2.5%
Randleman	<u>2.1%</u>
	100.00%

JOINT GOVERNMENTAL AGREEMENT –
RANDLEMAN DAM PROJECT
SURPLUS WATER AND
TRANSMISSION LINE AGREEMENT

THIS JOINT GOVERNMENTAL AGREEMENT (the “2007 AGREEMENT”), made and entered into this ____ day of October, 2007, by and among the CITY OF ARCHDALE, CITY OF HIGH POINT, CITY OF RANDLEMAN (all municipal corporations of the State of North Carolina), RANDOLPH COUNTY (a political subdivision of the State of North Carolina), and the PIEDMONT TRIAD REGIONAL WATER AUTHORITY (an authority created under the laws of the State of North Carolina);

WITNESSETH

WHEREAS, the parties to this 2007 AGREEMENT are also parties to a prior Joint Governmental Agreement dated September 18, 1987, (the “1987 Agreement”) which established the framework and funding procedures for development of the Randleman Dam project; and

WHEREAS, the parties to this 2007 AGREEMENT are also parties to another Joint Governmental Agreement dated May 23, 2000, (the “2000 Agreement”); and

WHEREAS the 1987 Agreement committed six local governments jointly and severally to participate financially toward the acquisition of land, construction of the Randleman Dam, and construction of a water treatment plant”; and

WHEREAS the 2000 Agreement did not alter the terms of the 1987 Agreement in any manner, other than to confirm the understanding that “annual operating requirements of the Authority” as set forth in Section 1, Page 4 of the 1987 Agreement shall be construed to include, among other costs, debt service payment on the \$8 million loan for relocation of the High Point Wastewater Treatment discharge; and

WHEREAS the 1987 Agreement established a formula based on percentages of raw water allocation of 48 million gallons per day safe yield whereby each local government would appropriate and allocate funds for land acquisition, construction of the dam and wastewater bypass (now relocation of the wastewater plant discharge), and for “annual operating requirements of the Piedmont Triad Regional Water Authority”; and

WHEREAS the 1987 Agreement allowed those cities in the Consortium which now have surplus water supplies to share such surplus water with those cities or county in the Consortium which desire additional water and to initiate the construction of necessary transmission lines to serve that use with the participation of the PIEDMONT TRIAD REGIONAL WATER AUTHORITY (the “AUTHORITY”); and

WHEREAS the CITY OF RANDLEMAN has demonstrated a substantial need for additional water; the CITY OF HIGH POINT has surplus water supplies and the PIEDMONT TRIAD REGIONAL WATER AUTHORITY has agreed to construct the necessary interim water transmission line and to facilitate the transfer of the surplus water supply from the CITY OF HIGH POINT through the AUTHORITY to the CITY OF RANDLEMAN; and

WHEREAS the 1987 Agreement provided that water transmission lines may be installed as needed before the construction of the water treatment plant in providing the distribution of water to local governments herein, and that in such event, the financial responsibility for the cost of the construction of such transmission lines shall be determined among those specific local units of government involved and further provided for the financial participation by the PIEDMONT TRIAD REGIONAL WATER AUTHORITY and for the constructed lines to be turned over to the AUTHORITY for transmission of water from the treatment plant, and

WHEREAS, the PIEDMONT TRIAD REGIONAL WATER AUTHORITY consistent with its responsibilities for construction of the Randleman Dam project including the water treatment plant is negotiating a new construction loan (the “Construction Loan”) for the construction of a water transmission line (the “Archdale/Randolph/Randleman line”) to flow to the CITY OF ARCHDALE, RANDOLPH COUNTY and the CITY OF RANDLEMAN, which line the Authority estimates will cost \$3.5 million dollars to construct;

NOW THEREFORE, for and in consideration of the mutual terms, conditions, covenants, obligations and privileges created among these local governments and the Authority in this AGREEMENT and in the 1987 Agreement and in the 2000 Agreement, it is hereby agreed as follows:

1. Transfer of Surplus Water Supplies. Subject to paragraph 2 below, the CITY OF HIGH POINT agrees to sell to the PIEDMONT TRIAD REGIONAL WATER AUTHORITY up to Nine Hundred Thousand (900,000) gallons of water per day at High Point’s current intergovernmental rate as needed by the CITY OF RANDLEMAN. The CITY OF HIGH POINT reserves the right to adjust the intergovernmental rate but any such adjustment will be consistent with and reflect the same wholesale rate which the CITY OF HIGH POINT is then charging the TOWN OF JAMESTOWN and the CITY

OF ARCHDALE. The AUTHORITY agrees to sell to the CITY OF RANDLEMAN up to Nine Hundred Thousand (900,000) gallons of water per day as needed by the CITY OF RANDLEMAN at the same price as it purchases the water from the CITY OF HIGH POINT, with no mark up. The CITY OF RANDLEMAN is not exclusively bound to purchase all of its water needs from the AUTHORITY; however, the CITY OF RANDLEMAN agrees to purchase and pay for all of the water purchased for it by the AUTHORITY up to Nine Hundred Thousand (900,000) gallons of water per day at the price charged the AUTHORITY by the CITY OF HIGH POINT.

2. High Point may restrict delivery of water to the Authority under this agreement to the same extent as other High Point water customers if deemed necessary or advisable by High Point to conserve water. In an emergency, and if necessary to maintain water service to customers in High Point, High Point may temporarily suspend delivery of water under this agreement only for the duration of the emergency.

3 Termination of CITY OF HIGH POINT'S Obligation to Sell Surplus. The CITY OF HIGH POINT'S obligation to sell water to the PIEDMONT TRIAD REGIONAL WATER AUTHORITY under this 2007 AGREEMENT shall end at the earlier to occur of either the time when the Randleman Dam water treatment plant and facility comes on line, is fully operational and is capable of producing at least Nine Hundred Thousand (900,000) gallons of water per day or September 30, 2027. At the earlier to occur of these events or date then the CITY OF HIGH POINT'S obligation to sell shall cease but the CITY OF RANDLEMAN'S obligation to purchase from the AUTHORITY its water needs consistent with the 1987 Agreement shall continue.

4 Construction of Water Transmission Line. The PIEDMONT TRIAD REGIONAL WATER AUTHORITY shall construct, control and own the Archdale/Randolph/Randleman line to be used solely during the interim financing period to transfer to the CITY OF RANDLEMAN the water the AUTHORITY purchases from the CITY OF HIGH POINT. After the interim financing period the AUTHORITY may use the line as it sees fit including using the line to supply water to CITY OF RANDLEMAN, RANDOLPH COUNTY and CITY OF ARCHDALE. During the interim (the "interim period") between the construction of the Archdale/Randolph/Randleman Line and the issuance of revenue bonds by the AUTHORITY for the construction of the water treatment plant, the payment of debt service on the Construction Loan to cover the cost of construction of the Archdale/Randolph/Randleman Line shall be made by and allocated among the following local governments in the following percentages: CITY OF ARCHDALE (Twenty (20%) Percent), RANDOLPH COUNTY (Sixty (60%) Percent) and the CITY OF RANDLEMAN (Twenty (20%) Percent). The CITY OF HIGH POINT, the CITY OF GREENSBORO and the TOWN OF JAMESTOWN shall not have any responsibility for the payment of interim or permanent debt service for the construction of the Archdale/Randolph/Randleman Line.

5. Later Consolidation of Debt for Archdale/Randolph/Randleman Line. All the remaining principal of the Construction Loan for the construction of the Archdale/Randolph/Randleman Line shall be consolidated with the new debt for the construction of the water treatment plant and other water transmission lines when the PIEDMONT TRIAD REGIONAL WATER AUTHORITY issues revenue bonds for the construction of the water treatment plant. At the point in time when payments from the parties are scheduled to begin on such revenue bonds it is understood that the parties will revert back to applying the Revenue Bond Debt Service allocation formula set forth in the Joint Governmental Agreement ("RB&H Draft No. 15") to pay for construction of the water treatment plant and necessary transmission lines (including the remaining debt on the Archdale/Randolph/Randleman Line).

6. Terms of 1987 Agreement Not Altered by this 2007 AGREEMENT. No rights, obligations, or commitments created by the 1987 Joint Intergovernmental Agreement shall be waived by this 2007 AGREEMENT. Nor shall this 2007 AGREEMENT be considered to alter the 1987 Agreement in any manner. The purpose of this 2007 AGREEMENT is to allow for the transfer and distribution of water from one local unit of government through the PIEDMONT TRIAD REGIONAL WATER AUTHORITY to another local unit of government and to provide for the interim debt service for the construction of the Archdale/Randolph/Randleman Line until such time as the AUTHORITY issues revenue bonds for the construction of the water treatment plant and necessary water transmission lines.

7. Terms of 2000 Agreement Not Altered by this 2007 AGREEMENT. No rights, obligations, or commitments created by the 2000 Agreement shall be waived by this 2007 AGREEMENT. Nor shall this 2007 AGREEMENT be considered to alter the 2000 Agreement in any manner.

8. Raw Water Allocation Formula Still Applicable. For all annual operating expenses of the AUTHORITY including debt service under the 2000 Agreement (but not the debt service for the construction of the Archdale/Randolph/Randleman Line during the interim period) it is understood that the same modified raw water allocation formula from the 1987 Agreement for land acquisition, construction and the Authority's annual operating requirements, including debt service payments, shall continue to apply. Each local government shall continue to appropriate and allocate funds based on the modified pro rata share of 48 million gallons per day safe yields, to wit: CITY OF GREENSBORO (53.1%); RANDOLPH COUNTY (18.8%); CITY OF HIGH POINT (19.0%); CITY OF RANDLEMAN (2.1%); TOWN OF JAMESTOWN (2.5%); CITY OF ARCHDALE (4.6%).

9. Term of Agreement. *The term of this Agreement shall be for a period of 20 years beginning October 31, 2007 and ending on October 31, 2027.*

10. Effective Date. *This 2007 AGREEMENT shall be effective when it is duly executed by each party hereto.*

IN WITNESS WHEREOF, all of the parties hereto have caused this AGREEMENT to be duly executed by each of their properly authorized officials, attested by their Clerks, and each of their corporate seals to be hereunto affixed, all on the day and year first above written.

Adopt Resolution to Conserve Water During County Drought

On motion of Kemp, seconded by Frye, the Board voted unanimously to adopt the Resolution to Conserve Water During County Drought, as follows:

WHEREAS, Randolph County is currently experiencing a severe drought; and

WHEREAS, municipal water systems can predict the number of days remaining in their water reservoirs, but residents who depend on wells cannot make those predictions; and

WHEREAS, while a county water plan has been established and a county-wide water system is in its early development stages, our rural citizens still should be very mindful on how water "wasted" from a well will affect his own supply of water as well as that of a neighbor's well; and

WHEREAS, the County Commissioners cannot restrict the use of personal wells, but can urge citizens to voluntarily find creative ways to reduce the amount of water used on a daily basis, such as limiting the amount of bath/shower water, combining laundry loads, running only full dishwasher loads, not running irrigations systems, not washing vehicles, not running water while brushing teeth, lowering toilet levels, etc.

NOW, THEREFORE, BE IT RESOLVED that the Randolph County Board of Commissioners encourage all Randolph County citizens to make a concerted effort to conserve water in every way possible.

Request from Trinity for Extension of Zoning Jurisdictions

Hal Johnson, Planning Director, said that the City of Trinity is requesting that the Board of County Commissioners approve extension of Trinity's zoning jurisdiction into areas currently zoned by Randolph County. Trinity has provided a map indicating the area within which it desires to include its Extra Territorial Zoning Jurisdiction (ETJ). Section 160A-360 of the North Carolina General Statutes governs the exercise of extra territorial jurisdiction by a municipality. Any city in the state may exercise extra territorial zoning jurisdiction after receiving approval from the County Board of Commissioners. Approval of the Board of County Commissioners is required if the County is enforcing zoning; building codes; and subdivision regulations. Once the Board of County Commissioners approval is secured, the City must notify the owners of all parcels of land proposed for addition, and the City must hold a public hearing on the matter.

Mr. Johnson said that the County Planning Board reviewed this request at their October 2 meeting and with a recommendation to the Commissioners that the City of Trinity be authorized an Extra Territorial Jurisdiction (ETJ) located in that area north of the current City limits as reflected on the boundary maps submitted by the City. The Planning Board also recommended that the City of Trinity consider extending its ETJ into other areas north of the city limits and currently zoned by the County. It was the Planning Boards opinion that this area appeared to be more compatible with natural growth expansion expected of the municipality. The Planning Board further recommended that the proposed ETJ into that area south of the current city limits, and reflected on the boundary maps submitted by the City, be denied. The Planning Board noted that this southern area was large tracts and predominately rural agricultural. While higher density growth can be expected in the future, the area was more compatible with existing growth management policies enforced by the County.

It is important to note that North Carolina law prescribes no guidelines or standards for the County to follow in determining whether to grant approval for extensions of municipal extra territorial zoning jurisdiction. The County is not required to hold a public hearing prior to making this determination, but the County Commissioners can hold a public hearing if they wish. The decision of whether or not to grant this authority to the City is entirely within the discretion of the County Commissioners.

Mayor Fran Andrews asked for the Board's approval of this request.

Chairman Holmes opened the floor for public comment on Trinity's request for extension of their zoning jurisdiction.

Ken Brinkley, 3591 Meadowbrook Rd., spoke in opposition to this request, saying that a promised sewer system has never been realized in the Meadowbrook subdivision and probably never will be. He also thanked Commissioner Frye for his newspaper article regarding the Finch Farm Road traffic problems.

Mike Lewallen, 6536 Kennedy Road, spoke in opposition to this request, saying that Trinity is already twice the size of Archdale and they provide no services to their residents. He also said that extension of zoning jurisdiction is a stepping stone to annexation. There are a lot of small and large farms in the southern part of the annexation request area. He said that Randolph County has a good plan in place already for rural residents. The southern ETJ, if approved, would adversely affect the many horse farmers in the area.

Kenneth Orr, 5027 Myers Rd., also spoke in opposition to the request, saying that he was the former chairman of the Boundaries Committee when Trinity was incorporated. He said that Trinity was formed to keep High Point and Archdale from telling them what to do. Now, Trinity is trying to tell its citizens what to do.

Brenda Robbins, 3144 Marie Drive, spoke in opposition to the request. She said that the southern area is very rural with a great deal of farmland. Their property is used for horses, hay and timber. They don't want someone telling them what they can't have on their property. Also, they don't like the idea that they could be governed by someone that they cannot vote for.

Clyde Cooper said that Trinity offers nothing.

Junior Robbins, 3311 Robbins Drive, said that he has lived in the area for 70 years. There is over 200 acres in land conservancy. The vast majority of the land in the area is unoccupied.

Mayor Andrews said that the City of Trinity has held the same tax rate for 9 years and feels they're doing fine with the money that have. Hopefully, a YMCA will be built soon.

Mike Lewallen spoke again saying that the City of Trinity denied a request from a Mr. Honbarrier to have his property commercially rezoned for a Home Depot store, which would greatly benefit the City.

Mayor Andrews said that Mr. Honbarrier won't sell his land.

Ken Brinkley spoke again, saying that he would like to have his land de-annexed because the County takes better care of its citizens than the City does.

Approximately 23 people stood in opposition to the southern part of the ETJ request.

On motion of Frye, seconded by Kemp, the Board voted unanimously to approve the extension of the City of Trinity's zoning jurisdiction as far north as allowable and denied the City's request to extend its zoning jurisdiction into the area south of the current City limits.

Adjournment

There being no further business, the meeting adjourned at 6:04 p.m.

J. Harold Holmes, Chairman

Darrell L. Frye

Phil Kemp

Arnold Lanier

Cheryl A. Ivey, Clerk to the Board